

Indemnification of state medical staff and students
(SB 931 by Montford/Watkins)

DIGEST: SB 931 would have required the state to pay the first \$100,000 of any medical malpractice claim against a member of the medical staff or a student at a state-supported institution of higher education if the claim arose from the provision of charitable care, including care under Medicare or Medicaid. Under current law, the state is not liable for damages recoverable under a self-insurance plan, such as that maintained by the University of Texas and Texas Tech University medical facilities.

GOVERNOR'S
REASON
FOR VETO:

This bill would make the state the payor of first resort if the state is liable for indemnification on a medical malpractice claim arising out of the provision of charitable care or services, without regard to whether damages are recoverable under a contract of insurance or under a plan of self-insurance. Currently, the state is only liable, within statutorily defined dollar limits, to the extent that insurance or self-insurance does not cover the full amount of a damage award. The bill would also prohibit the comptroller from offsetting, against funds over which the comptroller has authority, amounts of indemnification paid by the state as a result of medical malpractice claims. This would shift the cost of malpractice claims to state general revenue. While this bill addresses significant concerns, there is insufficient justification for changing current law.

RESPONSE: Sen. John Montford, the author of SB 931, had no comment.

NOTES: The House Research Organization analysis of SB 931 appeared in Part Two of the May 23, 1989 Daily Floor Report.